



DCMC Management Review

August 9, 1996



Agenda

- **What's Different in DCMC**
 - **How We're Doing**
 - **What We're Doing Differently**
 - **Managing Our Resources**
 - **Commander's Assessment**



What's Different in DCMC

- **Doing Today's Mission**
 - **Metrics**
 - **From Outputs to Outcomes**
- **Building for Tomorrow**
 - **Initiatives**
 - **Risk**
 - **Acquisition Process**
 - **Workforce**
 - **Infrastructure**

Bring our
influence to
securing what
our customers
want

Investments
need to
maintain
performance



How We're Doing

- **Right Advice** - Participation in ASPs & RFP Reviews
 - **Right Reception** - Overall Customer Satisfaction
 - **Right Efficiency** - Contracts / Person
 - **Right Price** - Cost Savings & Avoidances
 - **Right Item** - Design Defects (ECPs / W/D) +
 - **Right Time** - ECP Cycle Time +
 - **Right Talent** - Training Hours

'96 '97



Transition
from '96 to
'97 GPRA
Report



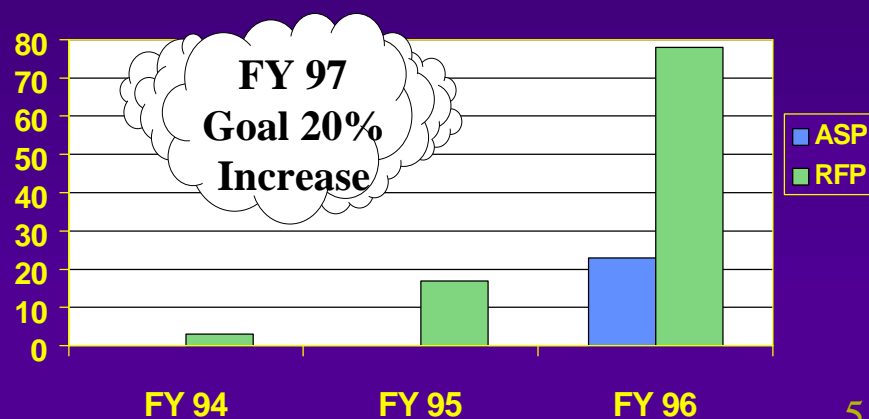
Right Advice

- **ASP Participation - Mixed bag**
 - Air Force on track
 - Army and Navy a challenge
- **RFP Development - Demand accelerating**
 - CAO Consortia - Establishing long-term support infrastructure - customer oriented and product specific elements

• Army - We're following up on ASARDA memo - work w/ AMC team

• Navy - Work on providing insight to Acq. COE databases

**ASP & RFP Development Participation
(Total by Fiscal Year)**



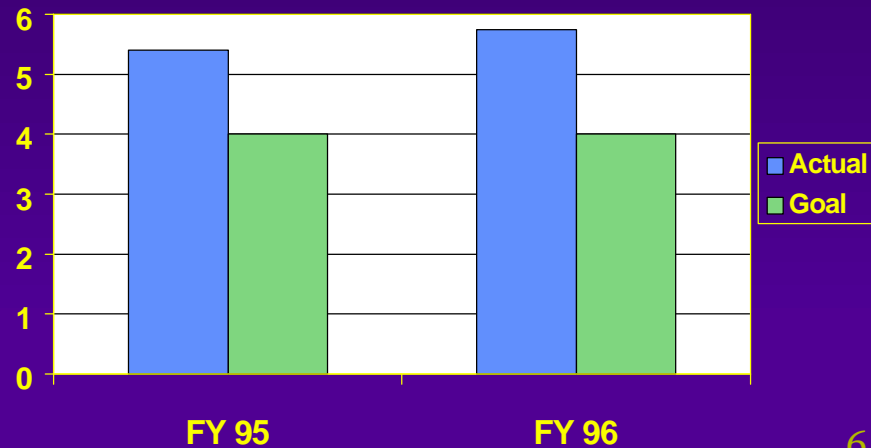


Right Reception

- Quarterly customer surveys of ACAT I PM's conducted since 1994
- Changing questions to align with Top 7 metrics
- Expanding Customer Survey base to include all ACATs and ICP Item Managers

**High correlation
between customer
satisfaction rating and
product trailer card
results**

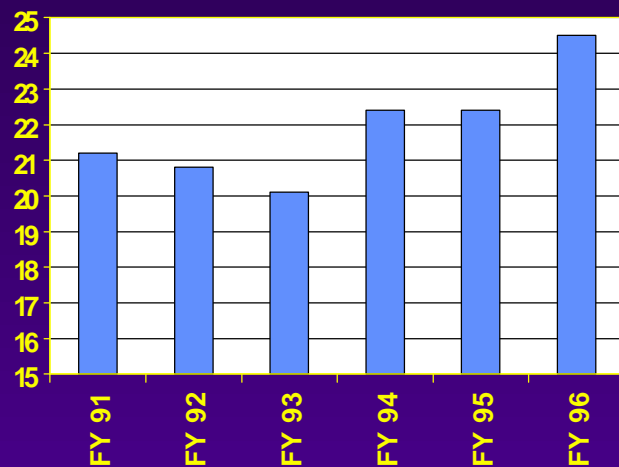
ACAT I Survey Results





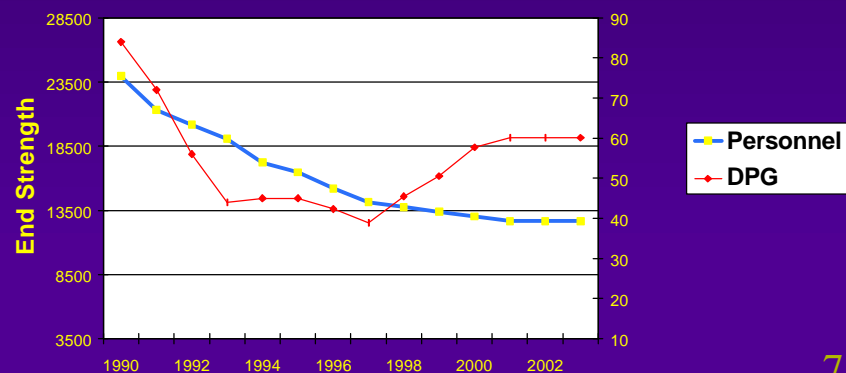
Right Efficiency

Contracts per Person



FY 92 and 01
Procurement same;
people down over 37%

Personnel and Procurement \$ Trend

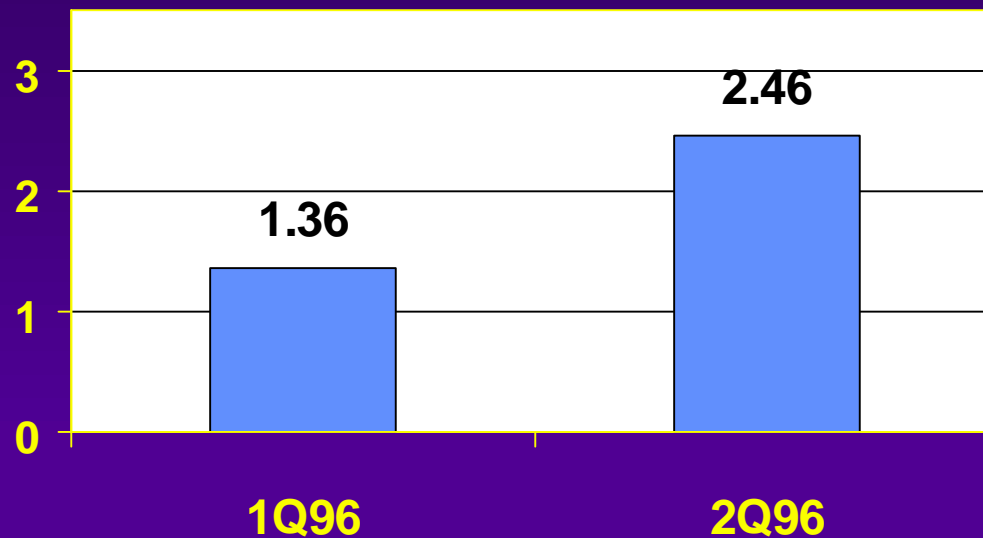




Right Price

- We will meet our FY 96 GPRA goal - \$3.3B
- We will meet our FY 97 GPRA goal - \$3.3B

Cost Savings & Avoidances



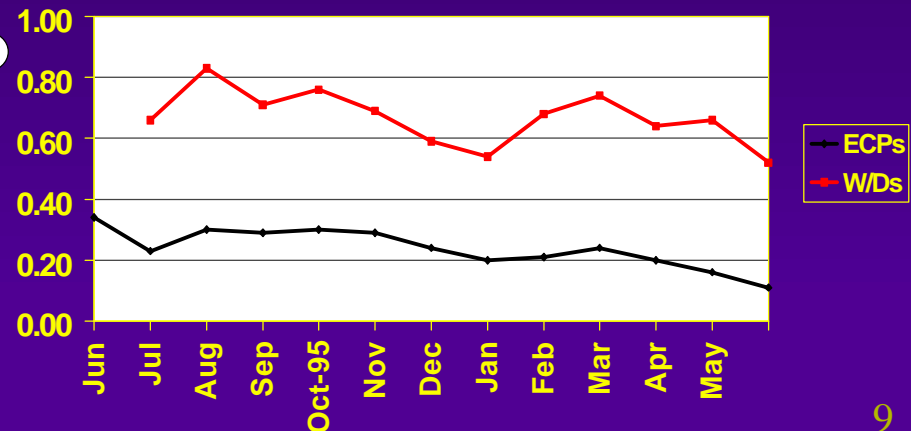


Right Item

- Design defect correction - Two views:
 - ECPs - before it's made
 - Waivers/Deviation - before it's shipped
- Data analysis - Next chart

**FY 97 goal is 10%
reduction from '96
average**

**Class I ECPs & W/D to Correct Design
Errors (Per 1000 contracts)**





Info is
provided to
SAEs and PMs

Right Item

Army is driver on
ECPs to correct
design errors

8 Programs
account for 50%
of ECPs - MI
program highest

- **Analysis - Keep looking and you will find:**
- **DCMC perspective - one example:**
 - **9 CAOs account for 50% of W/Ds**
 - **Pacing CAO identified**
 - **Pacing Contractor - Same Pareto analysis as CAO**
 - **Root cause:**
 - **Contractor not producing to spec but product “usable”**
 - **Fix affected:**
 - **Contractor (Lucas Western) installing SPC**
 - **Govt/contractor team conducted producibility review**

Army and Air
Force drivers
on W/Ds

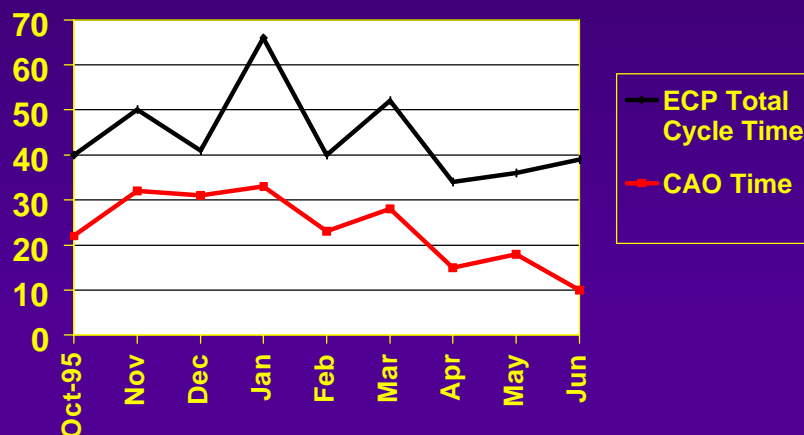


Right Time

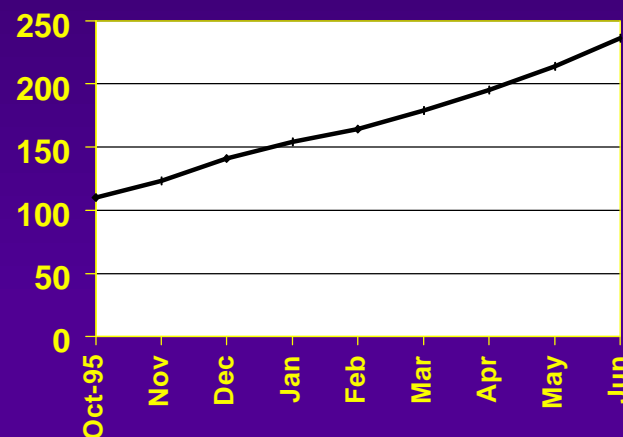
- **ECP Cycle Time** - Starts when contractor submits ECP, ends when PCO dispositions same
- **On - Time** = When they want it - Need to stay in touch to catch short suspenses

FY 97 goal is
100% of
CAO
assessments
on time

ECP Cycle Time



Backlog
Average Age





Right Talent

Training Hours/Employee/Year
Coming - October 1997

- Invest in training commensurate to “World Class” companies
- Probable target:
 - 84 hours/person/year
- Modifying our data system to collect

DEC
Chevron Amex GM
Boeing Dow Xerox
Chase Manhattan

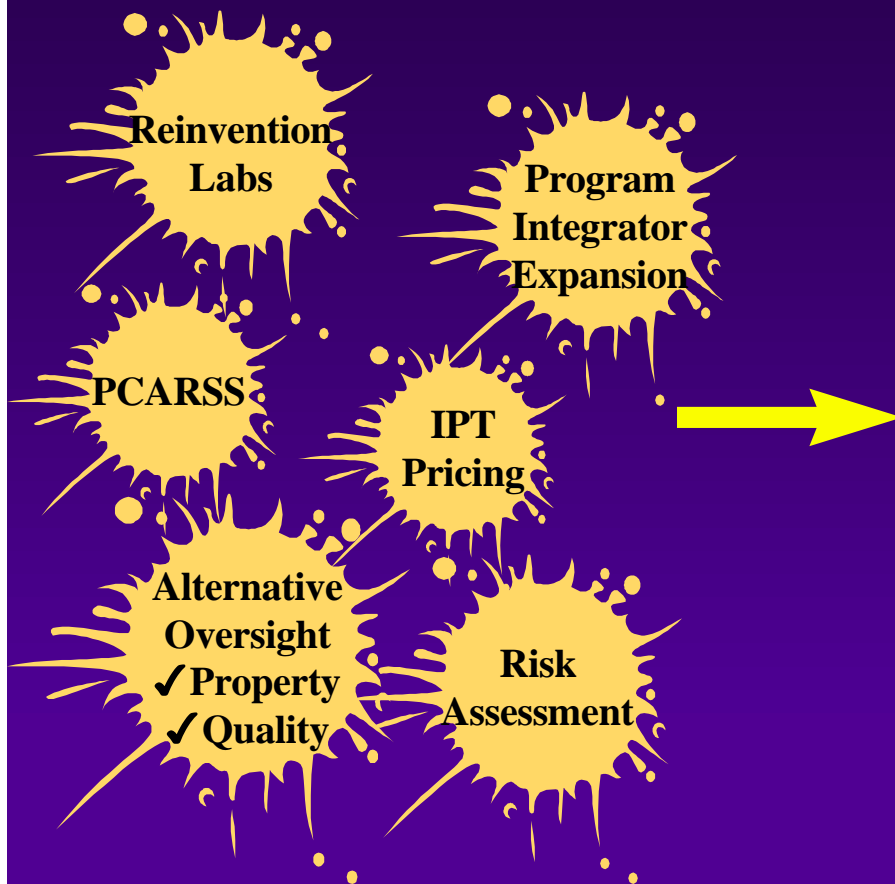


Initiatives - Building for Tomorrow

From Bunch of Stuff

TO

Paths to the Future



Risk...
Beyond the Comfort Zone

Acquisition Process...
Beyond "Single Face"

Workforce...
Beyond the Norm

Infrastructure...
Beyond the Basics



Workforce

Beyond
DAWIA

Building Corporate assets for the future

New

• Intern Program

Journeyman
level acquisition
workforce

New

• Expert Track

Functional
expertise in a
teaming world

50% of FY 94
graduates had
been promoted as
of several months
ago

• Mid-Level Program

Multifunctional
supervisors &
staff

New

• Executive Development

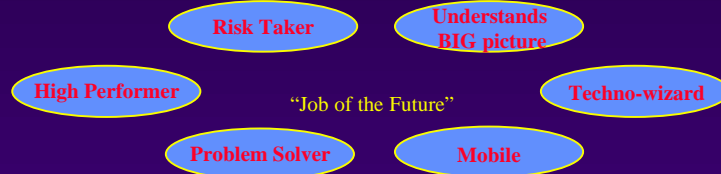
DCMC senior
managers



Workforce Intern Program

- **Objective:**

- Start the pipeline flowing again
- Build to skills of future - which is now



Demographics:

30 & Under-- 285
31-40 -- 3731
41-50 -- 5971
51-60 -- 3981
61+ -- 1168

- **Target:**

- Journey level acquisition workforce positions (GS-11 or 12)

- **Template under discussion:**

- 1st year - Basic classes in each career field
- 2nd year - Pick career field - Assignments in each career field
- 3rd year - OJT/Course work in career field - Graduate

- **Program Size: 50/year for at least 3 years**

- **Expect announcement: Early CY 1997**

- **Recruit - External (outstanding scholars) & Internal**



Workforce Expert Track

Lots of articles
in business &
academia now

- **Objective:**
 - **Maintain & grow functional expertise in teaming environment**
- **Important Point:**
 - **Teaming is here to stay**
- **DCMC Approach:**
 - **Senior Functional Advisors (SFAs)**
- **CAO SFAs**
 - **Expert advice to team leaders**
 - **Mentorship, training and counseling to individuals**
 - **Assessment of results and provision of solutions to the commanders**
- **District/HQ SFAs - Next Step**

Core Mission Functions:
ACO, Pricer, IS/Mfg, Eng,
QA

Not on
operational
teams

Job
announcements
end CY 1996

Initial number
about 80 -
Service multiple
CAOs

+ **Critical Competencies:**
Keeping individuals
proficient in selected
functional areas



Workforce Executive Development

- **Objective:**
 - **Develop DCMC senior managers**
to
 - **Build leadership & SES competencies**
- **Target:**

Districts & CAO
Deputies, District
Directors, HQ Team
Chiefs
- **Template under discussion:**
 - **2 year program - Leadership training & rotational/
development assignments within and outside DCMC**
 - **Small numbers: 10-20**
- **Research underway**



Workforce Infrastructure

- **System broke or never existed**
(From deciding whether what training is needed to getting it planned to getting money and spaces in schools to figuring out if it did any good.)
- **Huge problem in field**
- **Big thrust in DCMC '97 Business Plan**
- **Started on some parts:**
 - Defining competencies for all functions and processes
 - New guidance on determining training needs
 - Co-management with Districts on training management
- **Miles to go before we sleep**
 - Automated systems big issue

The single focus
for former CAO
commander (O6)



Risk

Alternate Oversight Initiatives

- **Quality Assurance - Self Oversight:** 16 Sites
USD(A&T) directed
 - Response less than enthusiastic
 - Won't be a fundamental change in business practice
 - Hard to measure impact on eventual product performance
- **Property - Self Oversight:** 8 Sites
 - Not a best seller
 - "Why should I (contractor) do that which shouldn't be done at all."
- **Lab Testing:** 2 Sites
 - DOA
 - No savings
 - Alternate Release Procedures look like better alternative
- **Delinquency - Self Reporting:** 32 Sites
 - Big hit !
 - Preliminary results - Delinquency rates down and reporting improved for several sites



Acquisition Process

Software Capability Evaluation

- **Problem** - Too Many SCEs/Ktr/Facility/Year
- **Solution** - Establish single focal point & standardized process for all DoD SCEs - DCMC
- **Significant Milestones** - Establishing DCMC as the DoD SCE Focal Point

16 Jul Briefed SCE Streamlining Proposal to OSD
17 Jul Dr. Kaminski tasked DCMC to draft policy
23 Jul Drafted policy Ltr & Plan w/OSD, & SEI
30 Jul S/W Center Plan presented to DCMC Executive Council
14 Aug Establish IPT (DCMC, Svcs, DISA, SEI, Industry)
1 Oct S/W Center IOC ==> DoD SCE Focal Point
1 Oct SCE Streamlining Implementation Plan due to OSD

**Draft Plan
already in
works - IPT
members
identified**



Acquisition Process IPT Pricing

- In last phase of DCMC-wide implementation - will be done by Oct 96
- “Marketing” brochure published May 96
- FAR Part 15 rewrite -- IPT Pricing is in it
- Training video shot - in final edit
- DFARS and “One Book” changes coming

Are We Moving Out?

- Metrics show so
- CAOs report that we are
- Other feedback says so (liaisons and visits)





Acquisition Process

Parametric Cost Estimating

- **Early results from 13 Reinvention Lab sites**
 - Better estimates and reduced cycle time in many instances
 - Progress not as swift as initially envisioned
 - Changing cultural attitudes has been a major challenge
 - Some teams having difficulty obtaining buying activity enthusiasm
- **Recent Steering Committee activities reenergizing labs**
 - Regulatory and cultural barriers identified and being removed
 - Parametrics estimating handbook being tested and examples added
 - Newsletter developed to communicate and share lessons learned
 - Web site under construction
 - Working with DAU to make training available to entire acquisition workforce
- **Lab sites to share accomplishments at Fall workshop**
 - 16-17 Oct - Ft. Belvoir
- **Executive Steering Committee expanded to include high level acquisition officials from Services**

Doing lots of
things to keep
the pressure
on





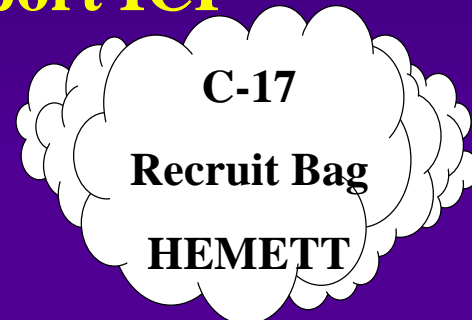
Acquisition Process

Interaction With DLA ICPs

- Involved with what ICPs care about
- Deputy Commanders Group/AQ Ops visits to ICPs
- Working MM issues



- Expanding PI network to support ICP Weapons Teams





Acquisition Process Government Property

*Problem is Bigger than DCMC but
We're Going to Challenge Goliath*

- **Acquisition - Letting it in the door**
 - Customer driven, cost of decision not seen, how much should DoD “facilitize” contractors
- **Administration - Keeping track in plant**
 - Contractors hate rules, want us out of plant, balking at self-oversight
- **Disposal - Getting it out the door**
 - Customer driven, decades of accumulation, store vs. dispose, Services perceive as a cost saver

Identify costs,
educate customers,
use Early CAS to
reduce reliance

Biggest subject of
waiver requests
under Reinvention
Labs

Educate customers,
make it easy for them
to make disposal
decision



What Needs to Change in Our Reporting



- Contractor Self-Oversight
- Early CAS/IPT Participation
- Integrated Product Team (IPT) Pricing
- Overhead Strategy
- Packaging DCMC Information
- PROCAS
- Program Integration Expansion
- Reinvention Laboratory - Reducing Oversight Costs
- Revised Delivery Forecast (RDF)
- TAV - Plant Clearance Automated Reutilization Screening System

Acquisition
Process

Infrastructure

Risk

- Early CAS/IPT Participation
- Delivery Delinquencies - ALERTS
- Contractor Self-Oversight

Acquisition Process

- Packaging DCMC Information
- Managing External Processes
- Reinvention Lab - Reducing Oversight Costs
- Program Integration Expansion

Workforce

- Workforce Skills

Infrastructure

- Information Technology
- Intra-DCMC Communications
- Internal Process Standardization
- Standard DCMC Metrics

Risk

Work-
force

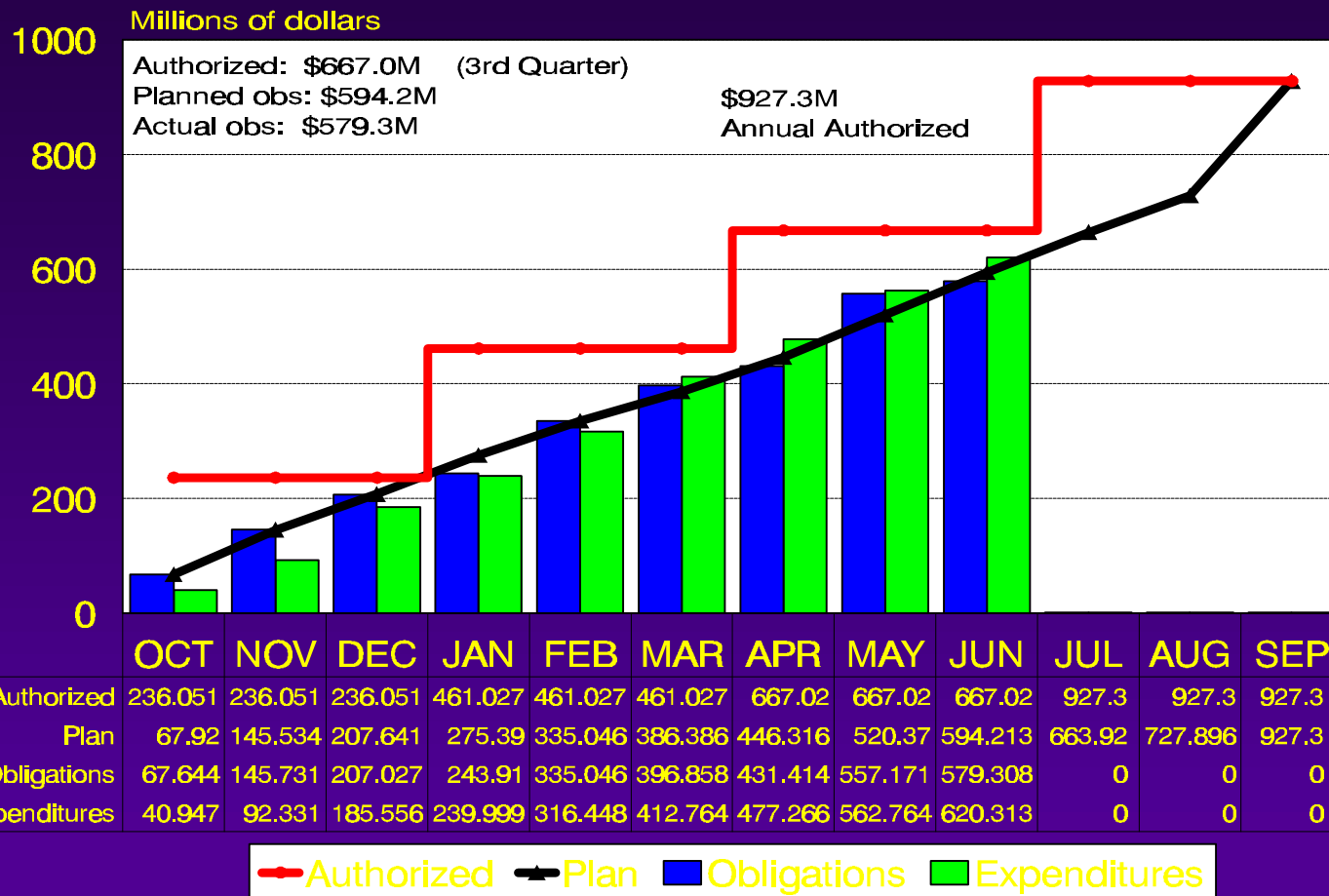


Resource Management

- **Budget Execution**
 - **Direct**
 - **Reimbursable**



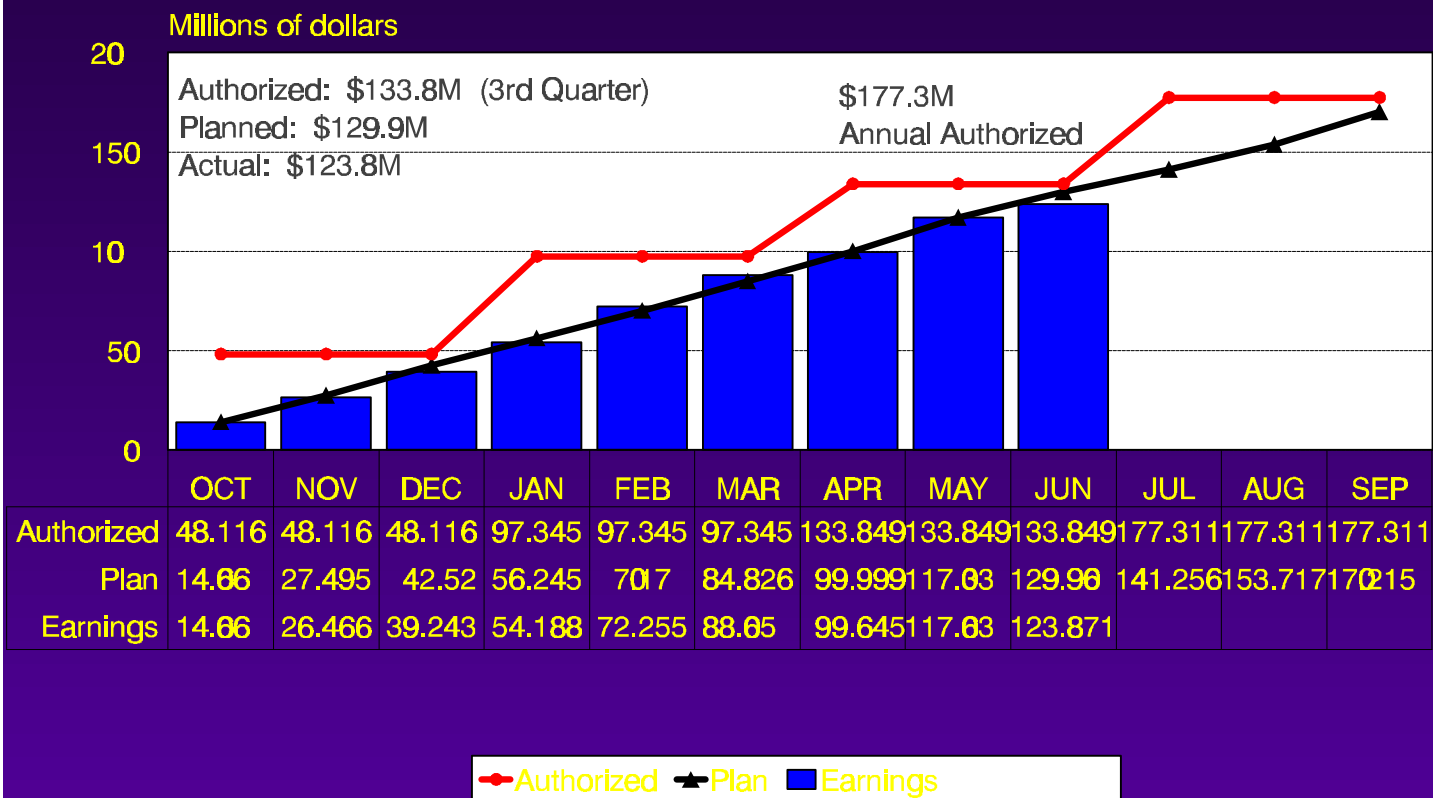
DCMC FY 96 Direct Execution



Obligations/plan: 97%



DCMC FY 96 Reimbursable Execution



Earnings/plan: 95%



Commander's Assessment

- We revised our metrics to identify what's important to our customers
- Focusing on measuring and improving our processes